

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, January 23, 2020
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, and Nye.
Representatives Co-chairman Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.
ABSENT/EXCUSED: None
CONVENED: **Chairman Bair** called the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

AGENCY PRESENTATION: **STATE DEPARTMENT OF EDUCATION (SDE), Sherri Ybarra, Superintendent of Public Instruction Robyn Lockett, LSO Analyst**

The Public School Support budget provides state and federal funding for public education, grades K-12, to 115 school districts and public charter schools in accordance with the Idaho State Constitution.

Organization: The public schools support appropriation contains six divisions: Administrators, teachers, operations, children's programs, facilities and central services. Additional separate budgets include the Office of the Superintendent (Superintendent), and Educational Services for the Deaf and Blind. The FY 2021 budget request for K-12 education totals \$2.35 billion of which \$1.98 billion was requested from the General Fund.

Performance Measures and Audit: As a constitutional elected office, the Superintendent is not required to participate in performance measures. No audit findings were reported. **Superintendent Ybarra** outlined the SDE's updated strategic plan goals:

- (1) All Idaho children are reading on grade level by third grade,
- (2) All Idaho students persevere in life and are ready for college and careers,
- (3) Stakeholders collaborate to support student progress and achievement, and
- (4) Idaho attracts and retains great teachers and leaders.

FY 2019 Actual Expenditures: The total appropriation for 2019 was \$2.13 billion, of which 83 percent came from the General Fund. The balance of the appropriation was \$90 million, or 4 percent, from dedicated funds; and \$264 million, or 14 percent, from federal funds. The SDE spent its entire general fund and dedicated fund appropriation, plus \$31.5 million from the Public Education Stabilization Fund.

FY 2020 Total Appropriation: The FY 2020 total appropriation for the SDE was \$2.27 billion.

FY 2021 Appropriation: The Superintendent requested a 5.3 percent increase on the General Fund for FY 2021. The total budget request from all funds is \$2.37 billion, with approximately \$2 billion coming from the General Fund. Twenty-two distributions are statutory with a request of \$1.545 billion, and eleven distributions are for other programs. Discretionary dollars account for approximately 20 percent of the budget.

Superintendent Ybarra detailed successes of schools, teachers, and students; and spoke in detail on several line items of her FY 2021 budget request.

Superintendent Ybarra answered numerous questions from the committee. **Gideon Tolman**, Division of Financial Management, Office of the Governor; and **Tim Hill**, Deputy Superintendent of School Finance, SDE, also answered questions. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

**SUPERINTENDENT OF PUBLIC INSTRUCTION (Superintendent's Office), Sherri Ybarra, Superintendent of Public Instruction
Robyn Lockett, LSO Analyst**

The State Superintendent of Public Instruction serves as the executive officer of the SDE and has responsibility for implementing policies, procedures, and duties authorized by law or established by the State Board of Education.

FY 2019 Actual Expenditures: The Superintendent's Office showed minor adjustments and a total reversion of 20 percent which were primarily in dedicated and federal grant funds.

FY 2020 Line Items: The legislature funded four line items in FY 2020. Three transferred money with a net zero increase out of the K-12 appropriation and into the Superintendent's Office budget. The fourth line item addressed the fiscal impact of HB 93.

Superintendent Ybarra and **Louis Konkol**, Chief Financial Officer, SDE, answered questions from the Committee.

FY 2021 Line Items. The Superintendent's Office requested replacement of technology items: two network servers, two network switches, a UPS backup system, laptop computers keyboards and a docking station. Other increases in the budget would pay for increases to employees in accordance with the CEC recommendation.

FY 2021 Total Appropriation: The Superintendent's Office requested a total appropriation of \$41,175,600, or 1.1 percent. The governor recommended \$40,614,800, a 0.2 percent decrease.

Superintendent Ybarra answered questions from the Committee. See [Audio](#) and [Presentation](#).

**AGENCY
PRESENTATION:**

**BUREAU OF EDUCATIONAL SERVICES FOR THE DEAF AND BLIND (IESDB), Brian Darcy, Administrator
Robyn Lockett, LSO Analyst**

The Bureau assists school districts and state agencies in providing accessibility, quality and equity to students with sensory impairments. Services may include operation of a school for the deaf and blind with residential and day campus programs. The Bureau also provides outreach services in early intervention and family consultation.

Organization: Statewide, the Campus Program serves 115 students, ages 3–21, and the Outreach Program serves approximately 2,250 students, age birth-21. It derives 95 percent of its budget from General Funds. It receives lump sum authority that does not restrict transfers between the program’s personnel and operating expenses. **Administrator Darcy** stressed that the most difficult challenge is finding educators with a special education background as well as blind and deaf background.

Performance Measures: None required.

FY 2020 Line Items: The Legislature appropriated funds for year three of increased instructor salaries and benefits equivalent to the public school career ladder, a speech language pathologist, a sign language interpreter for the campus program, and movement of temporary paraprofessional positions to permanent status. All line items have been completed.

FY 2021 Line Items: The IESDB requested General Funds to continue the career ladder compensation equivalency as well as General Funds for salary and benefits for two additional teachers.

FY 2021 Total Appropriation: The IESDB requested a total appropriation of \$12,135,600, a 5.2 percent increase. The governor recommended \$11,836,600, a 2.6 percent increase.

Administrator Darcy answered questions from the Committee. See [Audio](#) and [Presentation](#).

RS 27446: **RS 27446** raises the cap for the Budget Stabilization Fund from 10 percent of previous year’s General Fund Revenues to 15 percent and provides for two transfers.

DISCUSSION: **Keith Bybee**, LSO Analyst, provided historical background on the Budget Stabilization Fund, legislative language, and recommendations from the Pew Charitable Trust regarding timing of transfers and appropriate percentages of reserve to weather a recession..

Mr. Bybee and **Alex Adams**, Administrator, Division of Financial Management, Office of the Governor, answered questions from the Committee. Chairman Bair announced that action on RS 27446 would take place on Friday, January 24, 2020. See [Audio](#).

JFAC ACTION ON SUPPLEMENTAL APPROPRIATIONS

AGENCY **DEPARTMENT OF ENVIRONMENTAL QUALITY**
PRESENTATION: **Program: Waste Management and Remediation**
Description: Federal to Box Fund Shift
Rob Sepich, LSO Analyst

UNANIMOUS Requested by **Senator Burtenshaw**, granted by unanimous consent, the FY 2020
CONSENT: budget for the Department of Environmental Quality was reopened.

MOTION Moved by **Senator Burtenshaw** for the fiscal year 2020 budget for the Department of Environmental Quality a shift of \$120,000 in personnel costs from the Department of Environmental Quality (Federal) Fund to the Environmental Remediation (Box) Fund in the Waste Management and Remediation Program; seconded by **Representative Raybould**.

DISCUSSION: This motion shifts appropriation to allow the department to meet the mandatory 10 percent match requirements for operation and maintenance costs associated with the Bunker Hill Superfund Site.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#), and [Ballot](#).

AGENCY **PUBLIC DEFENSE COMMISSION**

PRESENTATION: **Reversion Correction**
Jared Hoskins, Budget and Policy Analyst, LSO

UNANIMOUS CONSENT: Requested by **Senator Johnson**, granted by unanimous consent, the FY 2020 budget for the Public Defense Commission was reopened.

MOTION: Moved by **Senator Johnson** for fiscal year 2020, for the Public Defense Commission, the reduction of \$1,036,000 in onetime trustee and benefit payments from the General Fund, seconded by **Representative Troy**.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**. See [Audio](#), [Supplemental Motion](#), and [Ballot](#).

AGENCY **STATE APPELLATE PUBLIC DEFENDER**

PRESENTATION: **Program: Capital and Conflict Representation**
Description: Extraordinary Capital Costs
JARED HOSKINS, Budget And Policy Analyst, LSO

UNANIMOUS CONSENT: Requested by **Senator Johnson**, granted by unanimous consent, the FY 2020 budget for the Appellate Public Defender was reopened.

MOTION: Moved by **Senator Johnson** for FY 2021, for the State Appellate Public Defender, an increase of \$140,000 in onetime operating expenditures from the General Fund in the Capital and Conflict Representation Program, for the purpose of extraordinary capital costs; seconded by **Representative Troy**.

DISCUSSION: **Senator Johnson** stated that his motion provides the agency with an adequate amount time to provide representation in death penalty cases in the current year.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

DISCUSSION: **Mr. Hoskins** answered questions from the Committee.

UNANIMOUS CONSENT Requested by **Senator Johnson**, granted by unanimous consent, that the following language regarding capital representation costs be accepted as part of the State Appellate Public Defender's FY 2020 supplemental appropriation bill.

INTENT LANGUAGE: **CAPITAL REPRESENTATION COSTS.** Notwithstanding any other provision of law to the contrary, of the amounts appropriated in Section 1 of this act and in Section 1, Chapter 110, Laws of 2019, for the Capital and Conflict Representation Program, \$234,900 from the General Fund, or so much thereof as is necessary, shall be used solely for costs directly related to the provision of representation in capital cases and only to the extent such costs are exclusive of, and can be identified and accounted for separately and distinctly from, outside counsel costs of noncapital appeals. Any remaining unexpended and unencumbered amounts not so used shall revert to the General Fund.

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

AGENCY PRESENTATION: **INDUSTRIAL COMMISSION**
Program: Compensation
Description: Industrial/Logging Programs
Maggie Smith, Budget and Policy Analyst

UNANIMOUS CONSENT: Requested by **Representative Syme**, granted by unanimous consent, the FY 2020 budget for the Industrial Commission was reopened.

MOTION: Moved by **Representative Syme** for fiscal year 2020, for the Industrial Commission, an additional \$113,300 onetime and \$170,500 ongoing, for a grand total of \$283,800 in trustee and benefit payments from the Industrial Administration Fund; seconded by **Senator Crabtree**.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

AGENCY
PRESENTATION:

LEGISLATIVE SERVICES OFFICE
Closed Captioning for Senate and House Proceedings
Paul Headlee, Division Manager, Budget and Policy

UNANIMOUS
CONSENT:

Requested by **Senator Johnson**, granted by unanimous consent, the FY 2020 budget for the Legislative Services Office was reopened.

MOTION:

Moved by **Senator Johnson** for the fiscal year 2020 budget for the Legislative Services Office an additional \$40,000 from the General Fund; seconded by **Representative Horman**.

Mr. Headlee answered questions from the Committee.

CARRIED:

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

AGENCY
PRESENTATION:

IDAHO COMMISSION FOR LIBRARIES
Early Reversion
Jill Randolph, Budget and Policy Analyst

UNANIMOUS
CONSENT:

Requested by **Representative Horman**, granted by unanimous consent, the FY 2020 budget for the Idaho Commission for Libraries was reopened.

MOTION:

Moved by **Representative Horman** for the fiscal year 2020 budget for the Commission for Libraries a reduction of \$7,400 in personnel costs and a reduction of \$32,200 from operating expenditures for a total reduction of \$39,600 from the General Fund; seconded by **Senator Johnson**.

DISCUSSION:

Ms. Randolph answered questions from the Committee.

CARRIED:

AYES: 20

Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.

NAYS: 0

ABSENT/EXCUSED: 0

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

AGENCY REVENUE AND TAXATION
PRESENTATION: Board of Tax Appeals
Additional Hearing Costs
Keith Bybee, Budget and Policy Analyst

UNANIMOUS CONSENT: Requested by **Senator Johnson**, granted by unanimous consent, the FY 2020 budget for the Board of Tax Appeals was reopened.

MOTION: Moved by **Senator Johnson** for FY 2020 and increase of \$42,100 onetime from the General Fund; seconded by **Representative Anderson**.

CARRIED: **AYES: 20**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Kauffman, Raybould, Syme, Troy, Wintrow, and Toone.
NAYS: 0
ABSENT/EXCUSED: 0
The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

AGENCY DEPARTMENT OF HEALTH AND WELFARE
PRESENTATION: Psychiatric Hospitalization
State Hospital South Fund Shift
Jarad Tatro, Budget and Policy Analyst

UNANIMOUS CONSENT: Requested by **Representative Wintrow**, granted by unanimous consent, the FY 2020 budget for the Department of Health and Welfare for State Hospital South was reopened.

MOTION: Moved by Representative Wintrow to the Department of Health and Welfare for State Hospital South for fiscal year 2020, from ongoing personnel costs, a reduction of \$400,000 from the Cooperative Welfare (General) Fund, a reduction of \$2,000,000 from the Cooperative Welfare (Federal) Fund, and an additional \$2,400,000 from the Cooperative Welfare (Dedicated) Fund for a program-wide net change of \$0; seconded by **Senator Lee**.

CARRIED: **AYES: 19**
Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye, Youngblood, Horman, Anderson, Amador, Raybould, Syme, Troy, Wintrow, and Toone.
NAYS: 0
ABSENT/EXCUSED: Representative Kauffman

The majority, having voted in the affirmative, the motion passed, and without objection, carried a **DO PASS** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

ADJOURNED: Having no further business before the Committee, **Chairman Bair** adjourned the meeting at 11:17 a.m.

Senator Bair
Chair

Elaine Leedy
Secretary